



September 19, 2006

The Honorable Fulton Sheen,
Chairperson – House Tax Policy Committee
State Capital
P.O. Box 30014
Lansing, MI 48909-7514

Re: HB 6030 - Property tax, principal residence exemption

Dear Representative Sheen:

Over the last few weeks, the Government Relations Committees of the Traverse City Area Chamber of Commerce and the Petoskey Regional Chamber of Commerce have become aware of a significant tax issue facing our local Bed and Breakfast (B & B) establishments. Several of our members have been notified that they may lose their Homestead Tax Exemption due to operating a seasonal hospitality business within their primary residence.

Our members and Boards of Directors have not taken an official position on this issue, but our committees have begun to review and discuss HB 6030 (sponsored by Rep. Walker) as a potential solution to this dilemma. It is our understanding the House Tax Policy Committee will be taking testimony this Wednesday regarding this legislation.

We respectfully request that the Tax Policy Committee seriously consider this bill and investigate how to help maintain our B&B guest homes for tourists visiting our region. Our concern is that this tax situation may force many B & B's to close their doors, without fairly addressing their personal and business tax obligations. Your help in supporting this element of our hospitality industry is greatly appreciated.

Sincerely,

Mary Jo Fifarek
Vice- President, Government Relations – Tri-Chamber Alliance

cc: Rep. Howard Walker